

The Senate Committee on Finance offered the following substitute to HB 101:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 31-8-9.1 of the Official Code of Georgia Annotated, relating to
2 eligibility to receive tax credits, so as to revise the rural hospital organizations that are
3 eligible for contributions relative to a tax credit; to amend Article 2 of Chapter 7 of Title 48
4 of the Official Code of Georgia Annotated, relating to imposition, rate, computation,
5 exemptions, and credits relative to state income taxes, so as to revise the tax credit for
6 contributions to rural hospital organizations; to increase the limit for contributions by
7 corporate donors; to increase the annual aggregate limit; to provide for preapproval timelines;
8 to extend the sunset provision; to increase the annual aggregate limit and extend the sunset
9 for tax credits for certain qualified education donations; to amend Article 1 of Chapter 5 of
10 Title 48 of the Official Code of Georgia Annotated, relating to general provisions relative to
11 ad valorem taxation of property, so as to provide for extension of preferential assessment
12 periods for certain historic properties; to amend Code Section 48-8-3 of the Official Code of
13 Georgia Annotated, relating to exemptions from sales and use tax, so as to suspend the
14 issuance of new certificates of exemption for certain high-technology data center equipment
15 during a certain period; to provide for an exception; to provide for related matters; to provide
16 for an effective date and applicability; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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PART I
SECTION 1-1.

20 Code Section 31-8-9.1 of the Official Code of Georgia Annotated, relating to eligibility to
21 receive tax credits, is amended by revising paragraph (3) of subsection (a) as follows:

22 "(3) 'Rural hospital organization' means an acute care hospital or rural freestanding
23 emergency department licensed by the department pursuant to Article 1 of Chapter 7 of
24 this title that:

25 (A) Has its primary campus ~~Provides inpatient hospital services at a facility~~ located in
26 a rural county or is a critical access hospital;

27 (B) Participates in both Medicaid and ~~medicare~~ Medicare and accepts both Medicaid
28 and ~~medicare~~ Medicare patients;

29 (C) Provides health care services to indigent patients;

30 (D) Has at least 10 percent of its annual net revenue categorized as indigent care,
31 charity care, or bad debt;

32 (E) Annually files IRS Form 990, Return of Organization Exempt From Income Tax,
33 with the department, or for any hospital not required to file IRS Form 990, the
34 department will provide a form that collects the same information to be submitted to the
35 department on an annual basis;

36 (F) Is operated by a county or municipal authority pursuant to Article 4 of Chapter 7
37 of this title or is designated as a tax-exempt organization under Section 501(c)(3) of the
38 Internal Revenue Code;

39 (G) Is current with all audits and reports required by law; and

40 (H) Has a three-year average patient margin, as a percent of expense, less than one
41 standard deviation above the state-wide three-year average of organizations defined in
42 subparagraphs (A) through (G) of this paragraph, as calculated by the department. For
43 purposes of this subparagraph, the term 'patient margin' means gross patient revenues

44 less contractual adjustments, bad debt, indigent and charity care, other uncompensated
45 care, and total expenses."

46 **SECTION 1-2.**

47 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
48 imposition, rate, computation, exemptions, and credits relative to state income taxes, is
49 amended by revising subsections (b.1), (e), and (k) of Code Section 48-7-29.20, relating to
50 tax credits for contributions to rural hospital organizations, as follows:

51 "(b.1) From January 1 to June 30 each taxable year, an individual taxpayer shall be limited
52 in its qualified rural hospital organization expenses allowable for credit under this Code
53 section, and the commissioner shall not approve qualified rural hospital organization
54 expenses incurred from January 1 to June 30 each taxable year, which exceed the following
55 limits:

56 (1) In the case of a single individual or a head of household, \$5,000.00;

57 (2) In the case of a married couple filing a joint return, \$10,000.00; or

58 (3) In the case of an individual who is a member of a limited liability company duly
59 formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a
60 partnership, ~~\$10,000.00~~ \$25,000.00."

61 "(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
62 section exceed ~~\$75~~ \$80 million per taxable year.

63 (2)(A) No more than \$4 million of the aggregate limit established by paragraph (1) of
64 this subsection shall be contributed to any individual rural hospital organization in any
65 taxable year. From January 1 to June 30 each taxable year, the commissioner shall only
66 preapprove contributions submitted by individual taxpayers in an amount not to exceed
67 \$2 million, and from corporate donors in an amount not to exceed \$2 million. From
68 July 1 to December 31 each taxable year, subject to the aggregate limit in paragraph (1)
69 of this subsection and the individual rural hospital organization limit in this paragraph,

70 the commissioner shall approve contributions submitted by individual taxpayers and
71 corporations or other entities.

72 (B) In the event an individual or corporate donor desires to make a contribution to an
73 individual rural hospital organization that has received the maximum amount of
74 contributions for that taxable year, the Department of Community Health shall provide
75 the individual or corporate donor with a list, ranked in order of financial need, as
76 determined by the Department of Community Health, of rural hospital organizations
77 still eligible to receive contributions for the taxable year.

78 (C) In the event an individual or corporate donor desires to make a contribution to an
79 individual rural hospital organization that would cause such rural hospital organization
80 to exceed its maximum amount of contributions for that year, the commissioner shall
81 not deny such desired contribution, but shall approve the proportional amount of the
82 desired contribution up to the rural hospital organization's maximum allowed amount;
83 any remainder shall be attributed as provided for in subparagraph (D) of this paragraph.

84 ~~(C)~~(D) In the event that an individual or corporate donor desires to make a contribution
85 to an unspecified or undesignated rural hospital organization, either directly to the
86 department or through a third party that participates in soliciting, administering, or
87 managing donations, such donation shall be attributed to the rural hospital organization
88 ranked with the highest financial need that has not yet received the maximum amount
89 of contributions for that taxable year, regardless of whether a third party has a
90 contractual relationship or agreement with such rural hospital organization.

91 ~~(D)~~(E) Any third party that participates in soliciting, advertising, or managing
92 donations shall provide the complete list of rural hospital organizations eligible to
93 receive the tax credit provided pursuant to this Code section including their ranking in
94 order of financial need as determined by the Department of Community Health
95 pursuant to Code Section 31-8-9.1, to any potential donor regardless of whether a third
96 party has a contractual relationship or agreement with such rural hospital organization.

97 (3) For purposes of paragraphs (1) and (2) of this subsection, a rural hospital
98 organization shall notify a potential donor of the requirements of this Code section.
99 Before making a contribution to a rural hospital organization, the taxpayer shall
100 electronically notify the department, in a manner specified by the department, of the total
101 amount of contribution that the taxpayer intends to make to the rural hospital
102 organization. The commissioner shall preapprove or deny the requested amount or a
103 portion of such amount, if applicable pursuant to subparagraph (C) of paragraph (2) of
104 this subsection, within 30 days after receiving the request from the taxpayer and shall
105 provide written notice to the taxpayer and rural hospital organization of such preapproval
106 or denial which shall not require any signed release or notarized approval by the taxpayer.
107 ~~In order to receive a tax credit under this Code section, the taxpayer shall make the~~
108 ~~contribution to the rural hospital organization within 180 days after receiving notice from~~
109 ~~the department that the requested amount was preapproved.~~ In order to receive a tax
110 credit under this Code section, a taxpayer preapproved by the department on or before
111 September 30 shall make the contribution to the rural hospital organization within 180
112 days after receiving notice of preapproval from the department, but not later than October
113 31. A taxpayer preapproved by the department after September 30 shall make the
114 contribution to the rural hospital organization on or before December 31. If the taxpayer
115 does not comply with this paragraph, the commissioner shall not include this preapproved
116 contribution amount when calculating the limits prescribed in paragraphs (1) and (2) of
117 this subsection.

118 (4)(A) Preapproval of contributions by the commissioner shall be based solely on the
119 availability of tax credits subject to the aggregate total limit established under
120 paragraph (1) of this subsection and the individual rural hospital organization limit
121 established under paragraph (2) of this subsection.

122 (B) Any taxpayer preapproved by the department pursuant to this subsection shall
 123 retain their approval in the event the credit percentage in this Code section is modified
 124 for the year in which the taxpayer was preapproved.

125 (C) Upon the rural hospital organization's confirmation of receipt of donations that
 126 have been preapproved by the department, any taxpayer preapproved by the department
 127 pursuant to subsection (c) of this Code section shall receive the full benefit of the
 128 income tax credit established by this Code section even though the rural hospital
 129 organization to which the taxpayer made a donation does not properly comply with the
 130 reports or filings required by this Code section.

131 (5) Notwithstanding any laws to the contrary, the department shall not take any adverse
 132 action against donors to rural hospital organizations if the commissioner preapproved a
 133 donation for a tax credit prior to the date the rural hospital organization is removed from
 134 the Department of Community Health list pursuant to Code Section 31-8-9.1, and all such
 135 donations shall remain as preapproved tax credits subject only to the donor's compliance
 136 with paragraph (3) of this subsection."

137 "(k) This Code section shall stand automatically repealed and reserved on December 31,
 138 ~~2024~~ 2029."

139 **SECTION 1-3.**

140 Said article is further amended in Code Section 48-7-29.21, relating to tax credits for
 141 qualified education donations for the purpose of awarding grants to public schools, is
 142 amended by revising paragraph (1) of subsection (f) and by adding a new subsection to read
 143 as follows:

144 "(f)(1) In no event shall the aggregate amount of tax credits allowed under this Code
 145 section exceed ~~\$5~~ \$10 million per tax year."

146 "(j) This Code section shall stand repealed and reserved on December 31, 2029."

147

PART II

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SECTION 2-1.

149 Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to
150 general provisions relative to ad valorem taxation of property, is amended in Code Section
151 48-5-7.2, relating to certification as rehabilitated historic property for purposes of preferential
152 assessment, by revising paragraph (4) of subsection (h) as follows:

153 “(4) The expiration of nine years during which the property was classified and assessed
154 as rehabilitated historic property; provided, however, that any such property may qualify
155 thereafter as rehabilitated historic property if such property is subject to subsequent
156 rehabilitation and qualifies under the provisions of this Code section; provided, further,
157 that, if approved by the governing authority of the county, the classification and
158 assessment under this Code section may continue for a period of up to an additional 12
159 years for income-producing real property, and such property's fair market value shall
160 continue to be calculated pursuant to division (3)(C)(ii) of Code Section 48-5-2 during
161 such period.”

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SECTION 2-2.

163 Said article is further amended in Code Section 48-5-7.3, relating to landmark historic
164 property, by revising subparagraph (e)(1)(E) as follows:

165 “(E) The expiration of nine years during which the property was classified and assessed
166 as landmark historic property; provided, however, that any such property may qualify
167 thereafter as landmark historic property if such property is subject to subsequent
168 rehabilitation and qualifies under other portions of the historic properties tax incentive
169 program contained within the provisions of this Code section; provided, further, that,
170 if approved by the governing authority of the county, the classification and assessment
171 under this Code section may continue for a period of up to an additional 12 years for

172 income-producing real property, and such property's fair market value shall continue
173 to be calculated pursuant to division (3)(D)(ii) of Code Section 48-5-2 during such
174 period."

175 **SECTION 2-3.**

176 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
177 sales and use tax, is amended by adding a new subparagraph to paragraph (68.1) to read as
178 follows:

179 "(A.1) For the period commencing on July 1, 2024, and ending on June 30, 2026,
180 unless otherwise provided by an Act of the General Assembly based on the findings of
181 the Special Commission on Data Center Energy Planning established pursuant to
182 Article 10 of Chapter 7 of Title 50, the commissioner shall suspend the issuance of any
183 new certificates of exemption pursuant to this paragraph, except for any
184 high-technology data center customer that contracts for services with a
185 high-technology data center that has applied for a certificate of exemption pursuant to
186 this paragraph."

187 **PART III**

188 **SECTION 3-1.**

189 This Act shall become effective on July 1, 2024, and shall be applicable to taxable years
190 beginning on or after January 1, 2025.

191 **SECTION 3-2.**

192 All laws and parts of laws in conflict with this Act are repealed.